

**SECRET**

DD/S&T# 2900-68

23 July 1968

**MEMORANDUM FOR: Comptroller, Directorate of Science and Technology**

**SUBJECT : Cost Reduction and Management Improvement Program for FY-68**

Forwarded herewith are Cost Reduction and Management Improvement Forms (No. 2500) which have been updated with data reflecting actual accomplishments during the Fiscal Year 1968.

25X1A

  
Director of Computer Services

**Attachments: a/s**

**Distribution:**

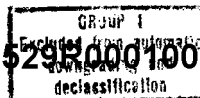
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(When Filled In)

Central Intelligence Agency COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM			OFFICE OCS		CONTROL NO. CRP-1	
			DATE 23 August 1967			
1. PROJECT OR ACTION TITLE Security [REDACTED] 25X1A						
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY Information Processing/Central ADP Services					3. NATURE OF REPORT <input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> AMENDMENT OR REVISION	
4. COST REDUCTION CATEGORY (check one) <input checked="" type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY <input type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES <input type="checkbox"/> C. MANAGEMENT AND PROGRAM EFFECTIVENESS					5. NATURE OF SAVINGS <input checked="" type="checkbox"/> RECURRING <input type="checkbox"/> NON-RECURRING	
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes)						
<p>time-sharing system. This change will greatly improve service by permitting periodic processing throughout the day of the files stored in the central computer from terminals located in the Office of Security. Under existing batch procedures, processing is done only once in a 24-hour period. In addition, processing costs for computer operations will be significantly reduced; from 200 hours per month to 50 hours per month, from \$18,250 to \$9,000 per month.</p>						
7. ESTIMATED SAVINGS GOALS			8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR			
	CURRENT FISCAL YEAR 1968	NEXT FISCAL YEAR 1969	FIRST HALF YEAR		TOTAL FISCAL YEAR	
FUNDS (Personal Services)	\$ 4,000	\$ 16,000	\$ 0		\$ 4,000	
FUNDS (Other)	23,750	95,000	0		23,750	
TOTAL	\$ 27,750	\$ 111,000	\$ 0		\$ 27,750	
MAN-YEARS	2	2	0		2	
9. PROPOSED USE OF SAVINGS *		AMOUNTS	10. ACTUAL USE OF SAVINGS *			
			FIRST HALF YEAR		TOTAL FISCAL YEAR	
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES		\$ 4,000	\$ 0		\$ 4,000	
B. APPLY TO PRODUCTION OF MORE UNITS OF WORK		\$ 7,916	\$ 0		\$ 11,875	
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE		\$ 7,917	\$ 0		\$ 11,875	
D. USE TO FINANCE SOME OTHER APPROVED PROGRAM OR ACTIVITY		\$ 7,917	\$ 0		\$ 0	
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET		\$	\$ 0		\$ 0	
* EXPLAIN 9 and 10 ON SEPARATE SHEET						
FORM 100-100 OBSOLETE PREVIOUS EDITIONS		DATE 2000/05/24	12. APPROVED FOR AGENCY BY [REDACTED]		DATE 25X1A 10/1/67	

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Excluded from automatic downgrading and declassification

(1-13-42)

Central Intelligence Agency <b>COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM</b>			OFFICE <b>OCS</b>		CONTROL NO. <b>CRP-2</b>	
			DATE <b>23 August 1967</b>			
1. PROJECT OR ACTION TITLE <p style="text-align: center;">Automated Computer Utilization Logs</p>						
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY <p style="text-align: center;">Information Processing/Central ADP Services</p>					3. NATURE OF REPORT <input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> AMENDMENT OR REVISION	
4. COST REDUCTION CATEGORY (check one)					5. NATURE OF SAVINGS	
<input type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY					<input checked="" type="checkbox"/> RECURRING	
<input type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES					<input type="checkbox"/> NON-RECURRING	
<input checked="" type="checkbox"/> C. MANAGEMENT AND PROGRAM EFFECTIVENESS						
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes) <p>In October 1967, IBM 360 computer operating systems will be modified so that utilization data by date, time, job, programmer, and function will be automatically generated as jobs are processed on the various computer systems. This will replace the present procedures which require that computer operators manually log such data. Savings from this action are not quantifiable. Benefits are in the form of:</p> <p style="text-align: center;">--Greater accuracy in recording utilization data and preparing utilization reports</p> <p style="text-align: center;">--Reduced demands on operator's time which makes it possible to devote more attention to quality control and other computer functions</p>						
7. ESTIMATED SAVINGS GOALS			8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR			
	CURRENT FISCAL YEAR	NEXT FISCAL YEAR	FIRST HALF YEAR		TOTAL FISCAL YEAR	
FUNDS (Personal Services)	\$ 0	\$ 0	\$ 0		\$ 0	
FUNDS (Other)	0	0	0		0	
TOTAL	\$ 0	\$ 0	\$ 0		\$ 0	
MAN-YEARS	0	0	0		0	
9. PROPOSED USE OF SAVINGS *		AMOUNTS		10. ACTUAL USE OF SAVINGS *		
				FIRST HALF YEAR		TOTAL FISCAL YEAR
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES		\$ 0		\$ 0		\$ 0
B. APPLY TO PRODUCTION OF MORE UNITS OF WORK		\$ 0		\$ 0		\$ 0
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE		\$ 0		\$ 0		\$ 0
D. USE TO FINANCE SOME OTHER APPROVED PROGRAM OR ACTIVITY		\$ 0		\$ 0		\$ 0
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET		\$ 0		\$ 0		\$ 0
* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET						
11. [REDACTED]		DATE		[REDACTED]		DATE
[REDACTED]		23 Aug 67		[REDACTED]		10/1/67

(When Filled In)

Central Intelligence Agency <b>COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM</b>			OFFICE <b>OCS</b>		CONTROL NO. <b>CRP 3</b>	
			DATE <b>23 August 1967</b>			
1. PROJECT OR ACTION TITLE						
Reduction in Contractor Support to Computer Projects						
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY					3. NATURE OF REPORT	
Information Processing/Central ADP Services					<input checked="" type="checkbox"/> PROPOSED	
					<input type="checkbox"/> AMENDMENT OR REVISION	
4. COST REDUCTION CATEGORY (check one)					5. NATURE OF SAVINGS	
<input checked="" type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY					<input checked="" type="checkbox"/> RECURRING	
<input type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES					<input type="checkbox"/> NON-RECURRING	
<input type="checkbox"/> C. MANAGEMENT AND PROGRAM EFFECTIVENESS						
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes)						
<p>In FY-68 contractor personnel supporting problem analysis, system design, and programming activities for computer applications will be reduced and staff personnel for these activities will be increased. For FY-67 and FY-68 the level of contractor support is estimated at 22 and 15 man years, respectively. Assuming an equal competence between staff personnel and contractor personnel, and an average cost savings of \$15,000 per man year from the use of staff personnel, a savings of \$105,000 is anticipated in FY-68.</p>						
7. ESTIMATED SAVINGS GOALS			8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR			
	CURRENT FISCAL YEAR 1968	NEXT FISCAL YEAR 1969	FIRST HALF YEAR		TOTAL FISCAL YEAR	
FUNDS (Personal Services)	\$ -	\$ -	\$ 0		\$ 0	
FUNDS (Other)	105,000	105,000	70,000		232,700	
TOTAL	\$ 105,000	\$ 105,000	\$ 70,000		\$ 232,700	
MAN-YEARS	N/A	N/A	N/A		N/A	
9. PROPOSED USE OF SAVINGS *		AMOUNTS	10. ACTUAL USE OF SAVINGS *			
			FIRST HALF YEAR		TOTAL FISCAL YEAR	
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES		\$ 26,250	\$ 70,000		\$ 100,000	
B. APPLY TO PRODUCTION OF MORE UNITS OF WORK		\$ 26,250	\$ 0		\$ 0	
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE		\$ 26,250	\$ 0		\$ 0	
D. USE TO FINANCE SOME OTHER APPROVED PROGRAM OR ACTIVITY		\$ 26,250	\$ 0		\$ 132,700	
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET		\$	\$ 0		\$ 0	
* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET						
FORM 7-66		DATE	12. APPROVED FOR AGENCY BY			DATE
2500		000/05/24/CIA-	25X1A			16/1/67

(When Filled In)

Central Intelligence Agency <b>COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM</b>		OFFICE <b>OCS</b>	CONTROL NO. <b>CRP-4</b>
		DATE <b>23 August 1967</b>	
1. PROJECT OR ACTION TITLE <b>Automatic Flow Charting of Computer Programs</b>			
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY <b>Information Processing/Central ADP Services</b>		3. NATURE OF REPORT <input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> AMENDMENT OR REVISION	
4. COST REDUCTION CATEGORY (check one) <input checked="" type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY <input type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES <input type="checkbox"/> C. MANAGEMENT AND PROGRAM EFFECTIVENESS		5. NATURE OF SAVINGS <input checked="" type="checkbox"/> RECURRING <input type="checkbox"/> NON-RECURRING	
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes) During FY-68 and 69 an automatic flow charting system [REDACTED] will be used to replace laborious manual flow charting. At present, rough, manual flow charts are used during the development of a computer program. After programs become operational, these flow charts are put in finished form and become a part of the documentation of the computer system. Changes in computer programs require updating and re-drawing of flow charts from time-to-time. Also, some computer programs are obtained from other computer users without complete documentation. In this situation, the [REDACTED] system can be used to prepare flow charts and to generate data about the program which facilitates the programmer's analysis of the program. It is estimated that the [REDACTED] System saves 2500 man hours (\$15,000) each year. Offsetting costs are \$1800 per year for rental of the computer program and \$7500 for computer processing. Processing costs will drop to \$2500 in FY-69 because of purchase of computer hardware in FY-68.			
7. ESTIMATED SAVINGS GOALS		8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR	
	CURRENT FISCAL YEAR 1968	NEXT FISCAL YEAR 1969	
FUNDS (Personal Services)	\$ 6700	\$ 10,700	\$ 0
FUNDS (Other)	-	-	0
TOTAL	\$ 6700	\$ 10,700	\$ 0
MAN-YEARS	1.25	1.25	0
9. PROPOSED USE OF SAVINGS *		10. ACTUAL USE OF SAVINGS *	
	AMOUNTS	FIRST HALF YEAR	TOTAL FISCAL YEAR
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES	\$	\$ 0	\$ 0
B. APPLY TO PRODUCTION OF MORE UNITS OF WORK	\$ 3,350	\$ 0	\$ 3,350
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE	\$ 3,350	\$ 0	\$ 3,350
D. USE TO FINANCE SOME OTHER APPROVED PROGRAM OR ACTIVITY	\$	\$ 0	\$ 0
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET	\$	\$ 0	\$ 0
* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET			
DATE <b>00/05/24/ CIA-F</b>		DATE <b>10/1/67</b>	